



USAID
FROM THE AMERICAN PEOPLE

BOSNIA-HERZEGOVINA

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Families Open Doors and Hearts to Parentless Children

Project moves children from institutions to foster homes

It's the middle of the night and 5-year-old Amel is calling frantically for his mother. "Please help me find a place to hide my shoes," he begs when she arrives. His mother sits on the bed and explains to him that he is no longer in the orphanage where children take each others possessions. "You're in your own home now and all your things are safe," she reassures him.

Amel is one of four children who have been placed with foster families in the last six months in a project titled "Development of Alternative Forms of Care for Children Deprived of Parental Care in BiH". Save the Children UK is implementing the initiative with the support of USAID/Bosnia-Herzegovina.

It is universally recognized that a family environment provides the best opportunities for the child's full emotional, physical and intellectual development. No matter how

good an institution might be, it cannot replace a family. Children who have grown up in institutions are more likely to show developmental delays, to fail educationally and to be ill-prepared for the outside world. Institutions do not help children become attached to a significant adult, which can have lifelong benefits in terms of their ability to develop trust in others.

Fortunately, Amel has found a home with foster parents who welcome his need for security and affection. According to his foster mother, Fatima Jusic, 48, Amel bonded instantly with her husband Esef, 56 (pictured with Amel above). "Wherever his father is sitting, Amel is either in his lap or leaning on his arm," she says. But Fatima rejects the social workers' teasing that she is jealous. "When he wakes up at night, it's me he comes to for a hug," she says proudly.



Supreme Court President Amir Jaganjac is thankful his Court's backlog has been reduced from 12,000 to 3,000 cases.

Revised Law Speeds Justice for Thousands

Recently, a 68-year old retiree, residing in Bosnia-Herzegovina's Federation entity (FBiH), saw her application for pension benefits rejected by the Pension Bureau. Normally, her case would proceed to the Supreme Court where it would languish for more than 5 years before seeing judicial action. However, because of revisions to the Law on Administrative Disputes, her legal challenge to the Bureau's decision was filed in Cantonal Court where it will be heard before the end of the year. Prior to the revisions, it was not uncommon for cases to outlive the persons who filed them!

USAID's innovative ALPS (Administrative Law and Procedural Systems) Project in BiH has helped to change the laws in the country so

administrative disputes can be more efficiently resolved. As in all countries, administrative disputes in the Federation—everything from tax appeals to appeals of decisions on medical benefits—affect huge segments of the population and dwarf in volume both criminal and private civil claims combined. It is in the area of administrative law that ordinary citizens experience the state's commitment (or not) to the rule of law.

USAID's ALPS team contributed provisions to the Law on Administrative Disputes that will reduce the time during which parties await resolution of their suits and support reduction in the massive backlog of cases currently on the shelves of its Supreme Court, where such disputes were lodged.

COMPETITIVENESS

Students Breathe Fresh Life into Furniture Design

Industrial design students had a unique chance to exhibit their creations at the 5-day "Made in BiH" workshop sponsored by USAID's Cluster Competitiveness Activity (CCA). The exhibition was held at the furniture factory Nord in Tesanj with the purpose of establishing direct links between furniture manufacturers and academy design students in order to promote contemporary designs of BiH wood products. By working directly in the factory, students were able to learn about manufacturing possibilities first hand.



Industrial Design Student works on her models

Bosnia and Herzegovina has a long tradition of furniture manufacturing that goes along with high quality raw materials. Using the ideas of young people to update designs will help promote the quality of domestic wood products and increase export sales.

NEWS IN BRIEF ♦ NEWS IN BRIEF ♦ NEWS IN BRIEF ♦ NEWS IN BRIEF

♦ The Justice Sector Development Project's (JSDP) Criminal Legal Aid Component held a training on pretrial investigation for approximately 30 participants. The training was designed to assist defense counsels in handling war crimes cases that are expected to be tried in local courts throughout the country.

♦ In cooperation with the International

Confederation of Free Trade Unions (ICFTU) and Solidarity Center, USAID's Fostering an Investor-Friendly Environment (FILE) project organized two education seminars on bankruptcy for BiH's trade unions. Over 40 representatives of various trade unions gathered to learn about bankruptcy issues affecting labor's interests. Moderators highlighted the reasons to initiate bank-

ruptcy, emphasizing the rights and obligations of workers in the procedure, as well as the benefits of bankruptcy.

♦ The Sarajevo Graduate School of Business, created by USAID, held an open enrollment course on time management. Representatives from ten local businesses attended the course and were required to apply their new skills in a case study.

BIH WELCOMES USAID ADMINISTRATOR

Andrew Natsios makes three-day visit; stops include Sarajevo and Mostar

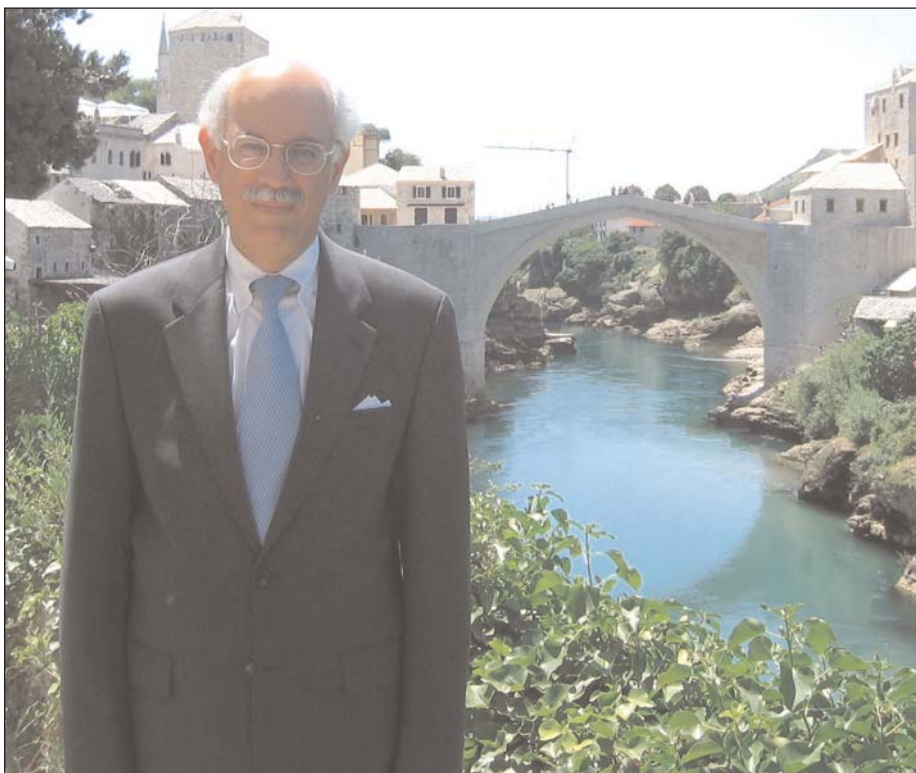
On June 15-16, USAID/Bosnia-Herzegovina was pleased to host Administrator Andrew

Natsios on his first visit to BiH since just after the war. Accompanying him on the trip was E&E Bureau Chief

Kent Hill. The Administrator met with religious leaders, business owners, mayors, ministers and other political officials, heads of NGOs and political parties and members of the international community.

The Administrator's visit was widely

"America's foreign assistance not only helps to accomplish our foreign policy objectives, but it also reflects the deep humanitarian instincts of the American people."--Andrew Natsios



Administrator Natsios stands in front of Mostar's newly reconstructed "Old Bridge"

covered in the press, including his comments on the government's need to become more efficient.

"I have never seen a state with as many layers of government as BiH," the Administrator said. "From our perspective, BiH citizens should work to change that."

The Administrator also stressed the importance of overcoming ethnic and religious divisions in order to facilitate the creation of jobs and to spur economic development.

Minority Retunees



In April, USAID distributed 41 small loans and 56 grants to extremely vulnerable minority returnee families under its Economic Assistance to Support Sustainable Minority Returns in BiH project. Beneficiaries used the funds for income generation such as the purchase of a cow for milk sales.

Support to Women



Under its Linking Agriculture Markets to Producers (LAMP) project, USAID provided a Lacto freezer to support the Women's Farmer Association from Tesanj and Usora. This association is now able to sell all the milk its members produce after LAMP helped them to sign a contract with a local dairy.

TAMP Signing



USAID's Tax Administration Modernization Project (TAMP) signed a Memorandum of Understanding to set up a legal framework for a modern real estate tax system in Brcko District. The goal is to replace nuisance taxes and fees that impede business development with a property tax.

Quality Proves Key to Company Mushroom Success



Mushroom employee proudly shows off her firm's product

In 2001, Milan Zoric and Boran Maglov had a dream to build a business exporting organic mushrooms of the highest quality. So they established the company Mushroom in the town of Celinac, which combined Milan's 20 years of experience as a bank credit officer with Boran's many years of Medicinal & Aromatic Plant (MAP) experience. They were determined from the begin-

ning to become an organically certified processor of mushrooms, which they achieved through the Institute for Market Ecology (IMO) of Switzerland. To maintain this certification they must make sure that all their wild mushroom gatherers are trained as certified organic mushroom gatherers. Due to their emphasis on high quality, by the end of 2003, Mushroom had received more orders than they could fill from

Switzerland, Austria and Italy. As a result, they contacted USAID's Linking Agriculture Markets and Producers (LAMP) project about potential assistance in increasing their capacity to fulfill their many orders. Specifically, they wanted help with their drying and cooling capacity.

LAMP gave Mushroom a grant that enabled the company to expand their premises and purchase a new dryer and cooling space in late 2004. (Mushrooms are often dried for ease of shipping and longer life.) These improvements enabled the company to increase sales from 13 tons of dried mushrooms in 2003 to 19 tons in 2004. The company projects sales of 25-30 tons in 2005. This added processing capacity has resulted in an increase of full time workers from 3 to 4, part time workers from 50 to 60 and gatherers from 300 to 400.

Among their mushroom gatherers are Mr. Nihad Hodzic and his mother, who are from Bihac. They are well trained, hard working gatherers who receive a significant portion of their income from Mushroom. As a result of their exemplary work, Mushroom awarded them a small drier to reduce their transportation costs and thus enabled them to add value right at the collection point. Reduced costs for Mushroom...more money for the Hodzic family...a win/win arrangement!

Corrupt Marketing Practices Exposed

A USAID Media Project-initiated TV program resulted in a government action to correct misleading advertising. Dzepobran, a consumer protection TV series, aired a story on one of the major grocery stores in BiH. The crew discovered that the store's promotional campaign "Buy Three, Get

One Free" was not true. Buying four products individually would have actually been cheaper. Based on the show, a government market inspection team came to the store the next day and initiated an investigation that forced the store's management to admit their "mistake" and take steps to correct it.



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